

December 13, 2016

VIA ELECTRONIC FILING

Ms. M. Lynn Jarvis, Chief Clerk
North Carolina Utilities Commission
Dobbs Building
430 North Salisbury Street
Raleigh, North Carolina 27603

Re: Docket No. E-22, Subs 532, 519, and 533

Dear Ms. Jarvis:

Virginia Electric and Power Company, d/b/a Dominion North Carolina Power (“DNCP” or “the Company”), and the North Carolina Sustainable Energy Association (“NCSEA”) submit this letter to the North Carolina Utilities Commission (“Commission”) to advise the Commission of certain commitments agreed to between DNCP and NCSEA subsequent to the filing of briefs and proposed orders in the above-captioned proceedings. NCSEA’s November 15, 2015 post-hearing brief (the “NCSEA Brief”) did not challenge the reasonableness of DNCP’s proposed rates, but did make specific recommendations for the Commission to encourage DNCP to promote residential time-of-use (“TOU”) rate offerings in North Carolina. The Company has reviewed NCSEA’s recommendations and subsequent discussion between the Company and NCSEA regarding DNCP’s North Carolina TOU rate offerings have resulted in the Company and NCSEA making the following commitments:

1. The Company is conducting a Dynamic Pricing Pilot Program and an Electric Vehicle Pilot Program in the Company’s Virginia jurisdiction.¹ The Company will submit final annual reports to the State Corporation Commission of Virginia (“VSCC”) on the Dynamic Pricing Pilot in 2017 and the Electric Vehicle Pilot in 2019. DNCP agrees to file the respective final reports submitted to the VSCC with the Commission in Docket No. E-22 Sub 532, and commits to serve a copy of each final report to the parties of record, including NCSEA.

¹ *In re: Virginia Electric and Power Company's proposed pilot program on dynamic rates*, Virginia State Corporation Commission Case No. PUE-2010-00135; *Application of Virginia Electric and Power Company, For approval to establish an electric vehicle pilot program pursuant to § 56-234 of the Code of Virginia*, Virginia State Corporation Commission Case No. PUE-2011-00014.

2. The Company objects to NCSEA's recommendation that the Company perform a rate comparison for every customer who has received a smart meter and is currently served on a non-TOU residential rate. The Company will agree to investigate improving the rate comparison process for residential customers. This investigation will include studying the feasibility of a web-based tool designed to educate customers about TOU rates and providing tools for residential customers to perform their own rate comparison. The Company agrees to discuss the findings of this investigation with NCSEA by the end of 2017.
3. The Company objects to NCSEA's recommendation that the Company default residential customers to a TOU rate. The Company also objects to NCSEA's request that the Company develop an alternative cost of service study methodology for inclusion in a future general rate case application, as such an undertaking would be unduly burdensome. The Company does, however, agree to investigate a way to study the impacts of defaulting new residential customer onto TOU rates in a cost of service study and report to the Public Staff and NCSEA the findings of such a study by October 1, 2017. The Company will conduct this investigation using readily available information prepared for the Company's filing in Docket E-22 Sub 532. The Company will provide consolidated hourly profile information for rate schedules 1P and, separately, 1T to NCSEA.
4. NCSEA withdraws the recommendations in the NCSEA Brief in consideration of the Company's commitments as set forth above.

Thank you for your assistance with this matter. Please do not hesitate to contact me if you have any questions.

Very truly yours,

s/ E. Brett Breitschwerdt
Counsel for Virginia Electric and Power
Company, d/b/a Dominion North Carolina
Power

s/ Peter Ledford
Counsel for North Carolina Sustainable
Energy Association

EBB:kjg

cc: Parties of Record